



Commission for
Communications Regulation

Response to Consultation

Quality of Service Target 2004

Single Piece Priority Mail

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1 Foreword

The availability of an efficient, high quality postal service on a par with the best in Europe is a key objective for a modern competitive economy such as Ireland's.

Over the past two years following the introduction of new operating procedures, An Post's performance in relation to quality of service has slipped significantly giving rise to continuing concern.

One of the fundamental objectives of the European Postal Directives is to secure improvements in Quality of Service. ComReg as the appropriate regulatory authority is obliged by law to set a Quality of Service target for An Post. Up to now interim targets have been set on a year to year basis. ComReg launched a consultation process this year to set a definitive target.

The two main business organisations confirmed that Quality of Service is central to enabling business in Ireland to operate efficiently and that SMEs are still to a large extent completely reliant on the postal service.

To match international best practice in terms of quality of service as illustrated by countries such as Denmark and Finland, which interestingly also are relatively small sparsely populated countries would require a higher level target than that currently envisaged. This would be currently unrealistic and therefore ComReg proposes to again set a target of 94% on a par with the European average. To ensure the achievement of this objective ComReg is issuing a formal direction to An Post under Regulation 4(1)(b) of S.I. No 616 of 2002 setting a target of 94% for D+1 and 99.5% for D+3 and requiring An Post to submit, within 60 days, a copy of its timetabled implementation plan showing the date at which it expects to achieve its target.

In addition to the overall headline rate for quality, respondents were also concerned about the discrepancy in results recorded by ComReg's independent monitor (TNS-Mrbi) and An Post's own measurement system. An Post believes that the carrying out of two surveys is inefficient and one of the business organisations was also concerned that such an approach could lead to disputes between the regulator and An Post.

ComReg is clear that under European law there is a mandatory standard EN: 13850 for measuring the Quality of Service of Single Piece Priority Mail. This is the system that ComReg currently has in place. An Post's system combines the measurement of single piece and bulk mail in one survey. According to the European Standards single piece and bulk mail require different measurement systems and methodologies.

We would wish to thank all who took the time to respond to the consultation and to commend them for the thoroughness of their submissions.

**John Doherty,
Chairperson.**

2 Introduction

2.1 Legal Basis

ComReg has obligations under the European Communities (Postal Services) Regulations, 2002 (S.I. No 616 of 2002):

- to set and publish quality of service standards in relation to the universal service (Regulation 12 (1)).
- to issue directions to An Post in respect of the quality of postal service to be provided (Regulation 4 (1) (b)).

Regulation 18 (2) permits ComReg, where it is of the opinion that An Post has not complied with a direction issued by it under S.I. No 616 of 2002, to apply to the High Court for an order to direct An Post to comply with the direction.

See Appendix A for a more comprehensive statement of the legal position.

2.2 Consultation Paper

In carrying out its functions under the legislation, ComReg is obliged to take into account the views of interested parties. On 3 February ComReg launched its consultation on the Quality of Service Target, ComReg document number, 04/08¹, addressing issues which required careful consideration in advance of forming a definitive decision on the target to be set. To enable all parties to comprehensively respond the deadline for receipt of submissions was extended to 20 April 2004².

ComReg wishes to express its thanks to everyone who contributed to the consultation. In total, 5 responses to the consultation were received, as follows:

An Post
Declan Hanley
IBEC
ISME
TICo Group Ltd

All points raised by the respondents have been considered, although readers will appreciate that it is not feasible to refer to every point made by every respondent in a document of this nature.

The responses received to the consultation paper have been of assistance to ComReg in forming its view on the most effective way forward while complying with the Regulations.

¹ ComReg 04/08 Consultation on the Quality of Service for single piece priority mail.

² ComReg 04/23 and ComReg 04/39 notification to the extension of the deadline for receipt of submissions on Quality of Service Target 2004 Single Piece Priority Mail

With the exception of material marked confidential, the written comments of respondents are available for inspection at ComReg's offices in Dublin.

2.3 Why is ComReg involved in setting Quality Targets

2.3.1 Legal Obligation

ComReg has a legal obligation to set quality of service targets for An Post:

“Quality-of-service standards in relation to the universal service, paying attention in particular, to routing times and to the regularity and reliability of services, shall be set and published from time to time by the Regulator, having taken into account the views of interested parties, in the case of national services.”³

2.3.2 European Level

In 1997 the EU Postal Directive set out “*common rules for ... the improvement of quality of service*”. In particular it emphasises the need to improve and enhance the quality of service:

*“Whereas consideration should be given to the interests of users, who are entitled to services of a high quality; whereas, therefore, **every effort must be made to improve and enhance the quality of services provided at Community level**; whereas such improvements in quality require Member States to lay down standards, to be attained or surpassed by the universal service providers, in respect of the services forming part of the universal service”⁴*

A notice from the Competition Directorate of the EU warned that “*another type of possible abuse involves providing a seriously inefficient service*” and expresses concern about “*the possibility that, where they are granted special or exclusive rights, postal operators may let the quality of the service decline and omit to take necessary steps to improve service quality*”.⁵

2.3.3 Irish Government's Core Policy Goals

The core goal of Government policy for the postal sector, as set out in the Statement of Strategy 2003-2005 for the Department of Communications, Marine and Natural Resources, is:

³ Regulation 12(1) of the Postal Regulations.

⁴ Recital 30 to EU Directive 97/67/EC

⁵ Notice from the Commission on the application of the competition rules to the postal sector and on the assessment of certain State measures relating to postal services OJ C 39 6.2.98 p 2 Section 2.7 Duties of dominant postal operators.

“To ensure Irish industry and domestic customers enjoy competitively priced, high-quality postal services on a par with the highest quality standards in key comparator economies elsewhere in the EU. . . and to develop the Irish postal sector in such a way that it will underpin the key economic objective of Ireland becoming a knowledge economy. ”

The Direction to ComReg issued by the Minister for Communications, Marine and Natural Resources on 21 February 2003 under section 13 of the Communications Regulations Act 2002 requires ComReg to have regard to this objective.⁶

2.3.4 *Quality to be independently verified using standardised methods*

A European Standard EN 13850⁷ has been developed to ensure that the transit time of single piece priority mail is monitored on a standardised basis, and its use is mandatory in respect of such services provided by USPs⁸ throughout the EU. The Irish Postal Regulations⁹ require that this function should be undertaken by ComReg. ComReg has appointed TNS mrbi to carry out the measurement of single piece priority mail in the Irish domestic market and ComReg publishes regular quarterly reports.¹⁰

2.4 **Format of Document**

This report deals with the main issues raised during the consultation. Each section briefly summarises the issues raised in the Consultation Paper and by Respondents, ComReg’s analysis of those issues and the position adopted in response to the consultation. ComReg’s formal decision is set out in a separate chapter.

Details of the Consultation Questions are set out in Appendix B.

⁶ 1. POLICY DIRECTION ON COMMUNICATIONS OBJECTIVES

In carrying out its functions, the Commission shall have regard to the objectives for the communications sector specified in the in the Statement of Strategy of the Department of Communications, Marine and Natural Resources, when published.

⁷ European Standard EN13850 : 2002 Postal Services – Quality of service – Measurement of the transit time of end-to-end services for single piece priority mail

⁸ Universal Service Provider – postal operators (such as An Post) with the obligation to provide the universal service involving the permanent provision of a postal service of specified quality at all points in their territory at affordable prices for all users.

⁹ Regulation 12(3)

¹⁰ ComReg 03/58, 03/107 03/135, 04/24

3 Consultation Issues

3.1 The Importance of Post to Business

Three respondents strongly expressed their view that Quality of Service is central to enabling business in Ireland to operate efficiently and in particular that SMEs are still to a large extent completely reliant on the postal service.

Next day delivery of mail was felt to be of paramount importance and respondents expressed concern at the “*significant deterioration in next day delivery*”. Respondents felt that this deterioration has increased costs for business that now increasingly have to rely on courier services.

3.2 Quality v Cost

There is some difference of opinion amongst the Respondents about the impact of increased levels of quality on cost.

One business organisation took the view that the changes in the structure of An Post which would be necessary to achieve increased levels of quality would, “*ensure a more efficient Company, leading to future operating profits as opposed to the current significant losses. This in turn should positively impact on the end price charged to the user.*”

Another business organisation and An Post took the opposite view –i.e. that increased Quality of Service targets will accrue additional costs which will be passed onto the customer. They called for an independent assessment of the additional resources required to meet higher Quality of Service targets and the willingness of customers to pay for improvements.

Another respondent believed “that there is no connection between quality of service and affordability in the context of the Irish USP”.

3.3 Commitment to Quality

ComReg first set a target under the Regulations of 92% for nationwide next day delivery of single piece mail for the year 2002 and this was increased to 94% from 2003 onwards. Prior to this the Minister for Communications had set a target of 95%. Despite these formal targets An Post makes the following observation in its response to this consultation:

“With significant operational changes due to be implemented by the middle of 2004 ... the company has targeted an annualised level [target] of 91% (92.6% for the first 11 months)”.

The internal target of 91% is, we assume, based on An Post’s practice of combining single piece priority mail and bulk mail. It therefore implies a target of less than 91% for single piece mail.

This raises the question - Can a modern economy such as Ireland’s accept a lower quality of service than our key industrial competitors? It is ComReg’s contention that it cannot and as already stated it is also a core policy goal of the Government:

“To ensure Irish industry and domestic customers enjoy competitively priced, high-quality postal services on a par with the highest quality standards in key comparator economies elsewhere in the EU: ... and to develop the Irish postal sector in such a way that it will underpin the key economic objective of Ireland becoming a knowledge economy.” (DCMNR Statement of Strategy 2003-2005)

Whilst not setting a target at the levels set in countries such as Denmark (97%), the Netherlands, Luxembourg, Austria and Finland (all 95%), a target of 94% is around the European average. An Post’s apparent acknowledgement that they are working to a different and lower target is disappointing and would seem clearly not to meet the needs of consumers.

3.4 How should the target be set?

3.4.1 Summary of Consultation

The consultation paper set out two alternative approaches to setting a target; top-down and bottom-up. The consultation paper suggested that the top-down approach is preferable. An Post has argued that the bottom-up approach should be used. The other respondents disagree.

3.4.2 ComReg’s Analysis

An Post states in its response that its *“domestic mail service is designed so that mail posted in one part of Ireland before ‘latest time of posting’ can be delivered elsewhere in Ireland on the next working day”*. If this statement is correct the Commission should presume 100% next day delivery bar exceptional circumstances i.e. the top-down approach.

In a submission taken from an INDECON report submitted to ComReg by An Post, received in May 2002, the following explanation of the reasons for failure to provide 100% next day delivery was given:

Reason	Percentage of overall shortfall	Potential for improvement at minimal cost	Basis for improvement
Machine miss-sorts	14.40%	5.40%	Achievement of contractual agreed accuracy.
Track and control	1.80%		
Human Error	22.50%	11.70%	Other process improvements.
Lack of Capacity – normal	43.20%	26.20%	Early presentation. Control of absence.
Lack of Capacity – Christmas	18%	0%	Reluctance to segregate non-priority mail.

These figures were based on performance levels before the changes in work practices which took place in 2002-2003.

3.4.3 ComReg's Position

The top down approach should be used as it focuses on an industrial engineering approach to identify and quantify the problem areas and then to cure them, so that the service becomes demonstrably better. The bottom-up approach is focused on getting the right result from a measurement system which is treating the symptoms rather than the causes.

3.5 What should the target be?

3.5.1 Summary of Consultation

The consultation paper set out ComReg's view of the factors taken into account as impacting on 100% next day delivery of service and are listed below.

Factors	Assumption	Impact in Percentage Terms
Geographic limitations & Spatial dispersal of Economic Activity		Minimal
Exceptionally inclement weather	On average deliveries disrupted one day per annum.	0.40%
Capacity of Sorting Machines and Alignment of Staff to Work	20% of mail not processed on 25 days a year	2.00%
Exceptional staff absence	each delivery route not covered for one day each year	0.40%
Unforeseeable variations in volume	5% of mail not processed on 5 days per annum	0.10%
Reliability of Sorting Machines etc	On average 25% of machines not available at peak times on one day per annum	0.10%
Machine and Human Error	Sorting equipment installed by An Post should operate with no more than 1% of errors; it may be a reasonable target to allow for human errors at double this level, i.e. 2%)	3.00%
Christmas Cards	Separate service provided for non-priority items such as Christmas Cards	-
TOTAL		6.00%

One business organisation suggested that the allowance for exceptional factors should be 3% rather than the 6% put forward by ComReg in the consultation paper. The basis for making this suggestion is that it would give An Post a similar target to Denmark, a country of similar size and geographic limitations. In particular they state that;

“We feel that the impact afforded to ‘alignment of staff to work’ and ‘machine error’ are too high and should be reduced to reflect the obvious restructuring required to make the company more efficient.”

An Post, as stated previously, disagree with this top down approach. It also strongly contests the allowances made for factors impacting delivery, calling for increases on all factors with the Christmas season being of particular concern. While An Post has

criticised this approach and the figures, it has not presented any alternative figures for these or any additional factors.

The following are extracts from An Post's response in relation to the factors impacting on quality;

- **Geographic limitations & Spatial Dispersal of Economic Activity**

"The WIK Report identified four key environmental indicators affecting quality of service performance - country size, population density, urbanisation level, and the mail volume per capita (specifically the number of items per delivery point). On this basis, WIK concluded that 'Greece, Spain, France, Italy, Ireland, Portugal and Finland are characterised by relatively disadvantageous conditions for the provision of D+1 (next day) services'."

On the other hand, as already noted, An Post states that

"An Post's domestic mail service is designed so that mail posted in one part of Ireland before 'latest time of posting' can be delivered elsewhere in Ireland on the next working day.'"

- **Exceptionally Inclement Weather**

"ComReg makes the error of confining the effect of disruptions to a single day. In each case there may also be knock-on effects for the following day or days"

- **Capacity of Sorting Machines and Alignment of Staff to Work**

"Alignment of staff to work is a far more significant factor than machine sorting capacity."

- **Exceptional staff absence**

"Exceptional staff absences affect all elements of the postal pipeline, not simply delivery."

- **Unforeseeable variations in volume**

"Single piece mail cannot be regarded in isolation from other mail passing simultaneously through the postal pipeline. Mail volumes can vary on a daily basis by as much as 40%."

- **Machine and Human Error**

"ComReg's calculation here is without basis and ... It should be noted also that an individual piece of mail is handled a number of times, with risk of error at each handling."

- **Christmas Cards**

An Post states;

“ComReg’s suggestion that An Post should have a second class stream for Christmas cards ignores the engineering realities of An Post’s network.”

There were also a number of other factors highlighted by respondents which impact on next day delivery. These included;

- **Postcodes.**

“Postal codes exist to facilitate and enable the efficient and economic delivery of mail. Therefore ... the regulator must force the introduction of a postal code system.”

- **Local mail** should be picked up, sorted and delivered locally.
- **Downstream** access would speed up delivery of mail produced by consolidators.

Under An Post’s Terminal Dues agreement with other European postal operators (REIMS II) the price due to be received by An Post for delivering incoming cross border mail is reduced if the quality of next day delivery falls below an agreed target, currently 93%.

One business customer raised the terms of this agreement in the following way;

“In October 2003 the European Commission approved the renewal of REIMS II until 2006 under a number of conditions. One of these is that third party operators must be offered the same terms and conditions for cross border mail as the signatories offer each other. On this basis domestic consolidators should and must be offered the same terms and conditions for delivery of their domestic mail as is offered to REIMS signatories. Tariffs for domestic and inbound international mail [should] be equal.”

3.5.2 ComReg Analysis

Analysis of the Christmas Issues serves to illustrate the difference between the top down and bottom up approach.

The quality of service over the Christmas period is of increasing importance. Until recently the majority of mail during December was of a social nature, mainly Christmas Cards. Now that the fiscal year ends on 31 December there is significantly more correspondence that needs priority service during December. Meeting quality of service targets throughout the whole year is an obligation on postal operators. While this poses challenges to postal operators, it is both predictable and successfully addressed in other modern economies. For example

- The UK offers a 1st and 2nd class service year round.
- Finland and the Netherlands offer a special Christmas card service at a discounted rate to overcome the challenges.
- Australia successfully manages their network during this peak period.

“Heavy Christmas mail volumes did nothing to dent Australia Post’s excellent delivery performance standard in the three months to December 2003. In the December quarter (Australia Post’s busiest time of the year), 95.6 per cent of standard mail was delivered on time or early”- Australia Post press release.

An Post has choices. Examples are to continue as now and give a high quality of service during the Christmas period as Australia Post does or to copy the example of the Netherlands and Finland. It is up to An Post to decide how best to provide priority service during the Christmas period.

An Post made major operational changes at the end of 2002 consequent on its investment in automation. This adversely impacted on the quality of service. Significant improvements are to be expected once this system is working correctly.

Domestic customers also potentially receive inferior quality of service to international customers because of the contractual commitments under REIMS II. Bearing in mind the additional costs to An Post and the Irish consumer arising from this agreement this is unacceptable. In 2002 the loss incurred by An Post in handling inbound international mail was €13.2m, mainly as a result of the REIMS II scheme. The 2003 loss was substantially more¹¹ and incurred largely to support UK postal customers and providers.

3.5.3 ComReg Position

A target of 94% should be confirmed for the following reasons:

- An Post’s network is designed for 100% next day delivery and there shouldn’t be issues in achieving a quality of service close to this.
- 94% is based on ComReg’s top-down calculations.
- 93% is legally binding target accepted by An Post under REIMS II.
- 94% is lower than the 95% target set by the Minister in the late 1990’s and is lower than that suggested by one business organisation in response to this consultation.
- 94% is in the mid-range of European targets.

¹¹ Figure not yet published by An Post although supplied in confidence to ComReg.

An Post has not recently achieved the quality of service it is required to achieve. To set a low target would be to relieve An Post of its obligations to provide high-quality postal services on a par with the highest quality standards in key comparator economies elsewhere in the EU and would weaken Ireland's competitiveness.

3.6 How should ComReg ensure the target is achieved?

3.6.1 Summary of Consultation

One business organisation and An Post questioned the setting of a target that is unachievable. An Post believes that "a target should be challenging but at the same time realistically achievable; otherwise, the very process of target setting is itself undermined".

The business organisation was of the view that "next day delivery of mail is an unrealistic target for An Post to achieve in its current operating environment" and that it "promotes a planned Quality of Service target that takes into account all factors inclusive of customer expectations and ability of An Post to deliver".

The lack of apparent enforcement was raised during the consultation process. Another business organisation stated that "*it is vitally important that the ... targets set are adhered to in a measurable and structured format.*"

The third business organisation believed that the viability and future of the USP and companies serviced by them, is dependent on "*the ability of ComReg to enforce the European Postal Directive, not only ensuring their proper transposition but also their proper application*". If necessary ComReg must - "*urgently seek whatever additional powers it needs*".

3.6.2 ComReg's Analysis

It is not appropriate that ComReg should get involved in the detailed analysing of An Post's normal operating procedures. Nevertheless it is important that An Post management focus on identifying and addressing the issues that impact on quality.

To achieve this a detailed study may be necessary to identify the key factors that are impacting on meeting quality of service targets, rather than focussing only on problem areas identified from analysis of test letters. The appropriate approach on how best to provide the required level of service is one primarily for An Post, ComReg must however be assured that there is a timed programme to bring performance up to an acceptable standard.

3.6.3 ComReg Position

ComReg will give An Post specific directions under Regulation 4(1) (b) requiring it to submit to ComReg within 60 days a copy of its timetabled implementation plan showing the date by which it is expected to achieve the target.

3.7 How should performance be monitored?

3.7.1 Summary of Consultation

Respondents were generally concerned about the discrepancy in results recorded by ComReg's independent monitor (TNS-Mrbi) and An Post's own measurement system (conducted by PWC). An Post felt that the carrying out of two surveys is inefficient and one business organisation argued that it leads to disputes between the regulator and the USP.

3.7.2 ComReg's Analysis

Under European law there is a mandatory standard EN: 13850 for measuring the Quality of Service of Single Piece Priority Mail. This is the system that ComReg uses. An Post's system combines the measurement of single piece and bulk mail in one survey. According to the European Standards single piece and bulk mail require different measurement systems and methodologies.¹² An Post's publication of results from alternative measurement systems serves only to confuse the public.

Furthermore measuring an average of the service given to individual customers and small businesses with that given to larger businesses serves to confuse the two different categories of customers about the standard of service that *their* mail receives.

An Post are reminded that under the Regulations¹³ when publishing information about quality standard levels it must only use results based on standards drawn up by the European Standards body.

3.7.3 ComReg Position

ComReg will continue to independently monitor quality of service in compliance with the mandatory European Standard EN 13850 Quality of Service for single piece priority mail.

3.8 Scope of Targets

3.8.1 Summary of Consultation

An Post and a business organisation complained that ComReg currently only set targets for single piece priority mail, which accounts for less than half of the total mail volume.

An Post currently measure bulk and single piece mail together and they suggest that ComReg set a target that embraces the two.

¹² "This European Standard is not applicable for measuring the end-to-end transit time distribution of large bulk mailers' services and hybrid mail, which require different measurement systems and methodologies." European Standard EN13850 Postal Services – Quality of service – Measurement of the transit time of end-to-end services for single piece priority mail.

¹³ Regulation 6(2) of the European Communities (Postal Services) Regulations 2002, S.I. No 616 of 2002

3.8.2 ComReg's Analysis

Currently the European Standard for single piece priority mail is the only mandatory standard for member states to apply. However there are a number of European Standards that ComReg currently does not use or require to be used. – see Appendix C. ComReg notes these and at this stage suggests future consultation with interested parties to look at implementing some of the other standards which maybe beneficial. In particular EN 14534 - measurement of transit time for bulk mail, may be useful in determining whether compensation should be paid for failure to comply with quality standards, although the cost of implementing the standard would be high.

The European Standards clearly state that single piece priority mail and bulk mail should be measured separately and it would therefore be inappropriate to set a joint target.

3.8.3 ComReg Position

There are a number of reasons why single piece priority mail should be measured alone and not combined with bulk mail:

- ComReg is legally bound to measure single piece priority mail separately under European regulations.
- Single piece priority mail is very important, especially for S.M.E.s - 75% of single piece mail comes from business.
- All the evidence is that although the price is higher, single piece priority mail receives an inferior standard of service.
- Combining measurement of single piece priority mail with bulk mail would give a misleading result as An Post tends to give good quality of service to bulk mail as an operational convenience.

ComReg will review the benefits of setting and implementing targets for non-mandatory European Standards at a later date. The priority is to get the quality of service for single piece priority mail up to an acceptable standard.

4 Decision

The Commission has decided to issue a Direction under Regulation 4(1)(b) of the European Communities (Postal Services) Regulations, 2002, S.I. 616 of 2002 in the following terms:

The Secretary
An Post
General Post Office
O'Connell Street
Dublin 1

DIRECTION ON THE QUALITY OF THE UNIVERSAL POSTAL SERVICE TO BE PROVIDED BY AN POST

The Commission for Communications Regulation in accordance with Regulation 4 (1)(b) of the European Communities (Postal Services) Regulations, 2002 (S.I. 616 of 2002), ('the Regulations'), having taken into account the views of interested parties following a public consultation, hereby issues to An Post the following direction:

'For the purposes of this Direction the following definitions will apply:

"Single Piece Priority Mail" means correspondence, documents, publications or goods other than Bulk Mail (as defined below) originating from an individual residential or business customer (the sender) and deposited directly with An Post for conveyance by post and delivery to the addressee with priority (such conveyance and delivery is governed by delivery targets but does not provide for certainty and guarantee as to the exact day or time of delivery).

"Bulk Mail" means correspondence, documents or publications consisting of a substantial number of similar items which are deposited with An Post, or any other service provider, at the same place and at the same time to be conveyed and delivered to the addressees indicated on the items themselves or on their wrapping.

(a) An Post is hereby required to comply with the following minimum quality standards in providing the universal service within the meaning of the Regulations:

The quality standards for Single Piece Priority Mail posted in the State for delivery in the State are to be established in relation to the time limit for routing measured from end to end ⁽¹⁾ according to the formula $D+n$, where D represents the date of

deposit ⁽²⁾ and n the number of working days which elapse between that date and that of delivery to the addressee.

Quality standards for intra-Community cross-border mail

Time limit	Objective
D +1	94% of items
D +3	99.5% of items

Measurement of performance against this standard will be undertaken by ComReg in accordance with European and Irish Standard EN 13850:2002 Quality of Service – measurement of the transit time of end-to-end services for single piece priority mail.

(b) An Post is hereby required to submit to the Commission for Communications Regulation within 60 days of this Direction a copy of its timetabled implementation plan showing the date by which it is expected to achieve the target.

Timetable:

This Direction is given with immediate effect.

Dated this 1st June 2004¹

John Doherty
Chairperson
Commission for Communications Regulation

¹ End-to-end routing is measured from the access point to the network to the point of delivery to the addressee.

² the date of deposit to be taken into account shall be the same day as that on which the item is deposited, provided that deposit occurs before the last collection time notified from the access point to the network in question. When deposit takes place after this time limit, the date of deposit to be taken into consideration will be that of the collection on the following working day.

Appendix A. – Legislation

EU Postal Directive

One of the principal needs identified in the Postal Directive was the need to secure significant improvements in the quality of postal services. Recitals 5, 6 and 7 of the EU Postal Directive state:

(5) Whereas the current extent of the universal postal service and the conditions governing its provision vary significantly from one Member State to another; whereas, in particular, performance in terms of quality of services is very unequal amongst Member States;

(6) Whereas cross-border postal links do not always meet the expectations of users and European citizens, and performance, in terms of quality of service with regard to Community cross-border postal services, is at the moment unsatisfactory;

(7) Whereas the disparities observed in the postal sector have considerable implications for those sectors of activity which rely especially on postal services and effectively impede the progress towards internal Community cohesion, in that the regions deprived of postal services of sufficiently high quality find themselves at a disadvantage as regards both their letter service and the distribution of goods;

European Communities (Postal Services) Regulations 2002 - S.I. No 616 of 2002

Regulation 4 - Quality of the postal service

ComReg has the power to issue directions to An Post the universal service provider in respect of the quality of the postal service to be provided after consultation with interested parties under Regulation 4 (1) (i) of S.I. no 616 of 2002.

Regulation 12 – Set and Publish Quality of service standards

ComReg is required to set and publish the quality of service standards in relation to the universal service under Regulation 12 (1) of S.I. no 616 of 2002 paying attention in particular to routing times and to the regularity and reliability of services, in order to achieve the improvement of quality of service required by the EU Postal Directive.

Regulation 15 – Complaints and Dispute Resolution

ComReg has the power to lay down guidelines as to procedures. The regulation provides as follows:

“These procedures shall enable disputes to be settled fairly and promptly with provision, where warranted, for a system of reimbursement or compensation or both”

Regulation 16 Views of Interested Parties

ComReg is obliged under Regulation 16 S.I. No 616 of 2002 to take into account the views of interested parties.

An Information Notice ODTR 01/09 published in 2001 sets out the procedures for taking these views into account and is available at www.comreg.ie

Regulation 18 – Directions and Compliance Order

This Regulation outlines the procedure for issuing a direction. Where ComReg is of the opinion that An Post, the universal service provider, has not complied with a direction it may apply to the High Court for an order to direct the provider to comply with the direction.

Communications Regulation Act 2002

The Communications Regulation Act 2002 transfers the function of Postal Regulation to the Commission for Communications Regulation “ComReg”.

Appendix B – European Standardised Measurement Systems

The European Committee for Standardization has a number of standards for the measurement of the quality of postal services:

EN 13850:2002 Postal services – quality of service - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail

EN 14012:2002: Postal services – Quality of services – Measurement of complaints and redress procedures

EN 14508:2002: Postal services – quality of service – Measurement of transit time of end to end services for single piece non-priority mail and 2nd class mail

EN 14534:2003: Postal services – quality of service – Measurement of transit time of end to end services for bulk mail

EN 14137:2003: Postal services – quality of service – Measurement of loss of registered mail and other types of postal service using a track and trace system

TR 14773: Measurement of loss and substantial delay using a survey of test letters.

The current mandate to CEN also includes the requirement to develop standards on End to end measurement of the quality of service of parcel services and services using Track & Trace

The only mandatory requirement to implement these standards is in respect of EN 13850:2002. However if measurement of other activities is undertaken it is necessary to use the standards. Section 1 Scope of EN 13850:2002 makes it clear that Bulk Mail requires different measurement systems and methodologies compared with single piece mail.

The introduction to EN 14534:2003 emphasises the differences between the single piece and bulk mail standards. The main reasons to support a separate standard for the measurement of bulk mail include the fact that most bulk mail will be subject to a contract and explains why it is not possible to combine the measurement of single-piece and bulk mail in a single system, as the measurement system implemented by An Post attempts to do.

ComReg, following a consultation and public procurement process, engaged TNSmrbi to measure the quality of service for single-piece priority mail in accordance with the European and Irish Standard. EN 13850; 2002. Quarterly interim results have been published by ComReg during 2003 to provide information about the quality of service offered by An Post for single-piece priority mail.

Appendix C – Consultation Questions

List of Questions

Q. 1. What service level in percentage terms should the Irish public expect to receive for the processing and delivery of single-piece priority mail?

Q. 2. What is a reasonable percentage to allow for exceptional factors that make it uneconomic for An Post to provide the service or that unforeseeable circumstances occur that impact all mail?

Q. 3. What in your view is the percentage service level below which An Post could no longer be described as offering “next day delivery”?

Q. 4. Communicate any additional factors to those identified in sections 5.2 / 5.4 that impact the quality of next day delivery of single piece priority mail items?

Q. 5. Indicate the percentage impact of each factor on current quality, the improvement that will be achieved to reach acceptable levels within the control of An Post and the projected timescale?

Q. 6. State how much of the remaining shortfall is influenced by factors outside of management’s control?

Q. 7. How, in your judgment, will the setting of a target for An Post’s quality of service impact on the provision of an affordable universal postal service?

Q. 8. How, in your judgment, will the setting of a target for An Post’s quality of service impact on the Government’s core policy goal for the postal sector of a high-quality service on a par with the highest quality standards in key comparator economies in the EU?

Q. 9. How, in your judgment, will the setting of a target for An Post’s quality of service impact on the development of the Postal Sector?

Q. 10. How, in your judgment, will the setting of a target for An Post’s quality of service impact on the Postal Directive objective of securing improvements in the quality of service?